

Preco's Blend: Diversity, Mixed with Solid Communication

By: Penny Brown
Journalism Manager

Like the majority of manufacturing technology companies in the current economic downturn, Preco, Inc., has had its share of difficulties. But a richly diversified product and contract manufacturing service line, along with mindful expense reductions, has helped them weather the storm.

Preco has been in business more than 30 years. Their main specialty is high-speed, high-accuracy industrial processing applications. Among their products are flatbed die cutting, rotary die cutting, laser systems, high-accuracy screen printers, lamination and material handling. The company also has a large contract manufacturing services operation.

Preco also maintains diversity across a broad spectrum of various markets, including electronics, medical, automotive and abrasives, among others.

"After a record 2008, Preco has faced a downturn in 2009, like everyone else," said Preco President and CEO Tim Burns. "But we did move early on expense reductions, which we think was key going into 2009."

While the industry is under dark skies these days, Burns says Preco has a number of bright spots.

"We utilize what we call a bundled approach, meaning we focus on solving our customers' problems and not just selling equipment," Burns said. "We put together all those diverse skills we have in both equipment and contract manufacturing services, which really sets us apart from the capabilities of our competitors."

Second, "contract manufacturing services has grown since we are willing to take on more complex solutions for our customers," Burns said.

Burns also said that Preco is using this time to address a number of different improvements within the company. This includes improving its product line, mostly through speed and productivity improvements, and also finalizing a number of new product developments in the laser and die-cutting areas. Additionally, Preco has continued to invest in R&D, and it has worked to improve its marketing approach.

"We've implemented more direct marketing to our customer base," Burns said. "We just reinstated our customer newsletter, we're improving our web site and using other online means, such as YouTube. We also continue to exhibit in trade shows."

Finally, Burns says Preco strives to improve and maintain good communication — both internally and externally. "Another big area for us is continuing to maintain key relations — first and foremost in this industry is a strong banking relationship. We've also worked to keep good communications internally and obviously we work to have good communication with our customers."

Getting the staff on the same page is a big part of that plan. "Because we have more than one facility, that always can be a struggle (to maintain good communication), but we do interact a lot between the facilities either by traveling or through video conferencing.

"We also cross-trained our sales group across our various lines of products so that they know, for example, how to sell a laser cutting system, and not just a die cutting system."

There's more to come — currently, the company is working to expand its opportunities in medical and industrial diagnostics and hand-held devices. Preco is also working on opportunities in China in both the electronics and medical industries.

"We're also utilizing outside resources like AMT to act as a sounding board for what we're doing in relation to the industry," Burns said. "We're also using AMT to help us evaluate our China opportunities and operations."

"Periods of low new orders are characteristic of the industrial capital equipment industry. Even though AMT members' orders were off 70 percent from a year ago, our industry experienced a 55 percent drop in the 1998-2002 period. Most of us survived and recovered over the past six years. While it's tough, it's just the nature of the industry, so Preco is taking the long view."

All of which seems to indicate that while the economy might not be at its best right now, Preco's best is still yet to come. 